



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

At its meeting held February 13, 2007, the Board took the following action:

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Supervisor Burke made the following statement:

"It is undeniable that appalling acts of genocide continue to be waged by the Sudanese government against the black African population of Darfur, Sudan. The carnage now includes over 400,000 slaughtered, 2.5 million displaced, and over 50% of Darfur's population now reliant on humanitarian aid.

"Divestment is a powerful tool for pressuring the Sudanese government to end the genocide in Darfur. As we have seen in South Africa, the economic constraint caused by divestment, can put considerable pressure on a government to change course. It is time for Los Angeles County to join this resistance to the Sudanese government by eliminating companies that clearly benefit the Sudanese regime from the Los Angeles County Employees Retirement Association's (LACERA) fund portfolio.

"Since Sudan's current genocidal military campaign against Darfurians relies heavily on foreign direct investment, LACERA's divestment from companies doing business in Sudan will stand as both a symbolic and financial incentive to these companies to withdraw their investments, thereby exerting further economic pressure on the government of Sudan to end the genocide. While divestment will do minimal harm to innocent Sudanese civilians, the Khartoum regime has historically demonstrated substantial positive changes in behavior in response to external economic pressure.

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“While LACERA’s Board of Investments is responsible for all investment decisions, I ask my fellow Supervisors to join me in advocating against investing public employee retirement funds in a company that has active business operations with the Sudanese government.”

Therefore, Supervisor Burke made a motion that the Executive Officer of the Board be instructed to send a five-signature letter to the Los Angeles County Employees Retirement Association’s Board of Investments encouraging them to take the following actions:

1. Identify any companies in which they have holdings that have business operations in Sudan; and
2. Identify the exact nature of these business holdings, and in a manner consistent with fiduciary obligations, and without creating loss to the portfolio, take all necessary steps to ensure that companies in which the County’s retirement systems have holdings are not engaged in any business activities that in any way support genocide in Darfur.

Supervisor Yaroslavsky made the following statement:

“The movement to divest from companies supporting the Sudanese government has been spearheaded by the Sudan Divestment Task Force, a project of the Genocide Intervention Fund, locally implemented in partnership with Jewish World Watch. The Task Force has engaged researchers from Yale University and UCLA who in turn have consulted with foreign policy experts, asset managers, third-party research firms and other institutions to develop a policy that allows for maximal impact on the government of Sudan while minimizing harm to both Sudanese citizens and portfolio returns. The criteria targets companies that:

1. Have a business relationship with the government of Sudan or a government-created project;
2. Impart minimal benefit to the County’s underprivileged; and
3. Have demonstrated no substantial corporate governance policy regarding the Darfur situation.

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“This targeted divestment model requires divestment only from those companies that refuse to change their behavior after a period of shareholder engagement. More than 400 foreign companies currently operate in Sudan, but only a few dozen are complicit in genocide without helping ordinary Sudanese.

“As of this date, six states including California have approved divestment plans, and divestment is under consideration in at least eight others. Cities including Los Angeles, San Francisco, Philadelphia, Providence, RI and several others have approved or are considering divesting their own pension funds. Over thirty universities have enacted restrictions on Sudan investment. And, various private pension and asset management funds have developed divestment-sensitive investment strategies.”

Therefore, Supervisor Yaroslavsky made a suggestion that Supervisor Burke’s motion be amended to also request that LACERA utilize the tools developed by the Sudan Divestment Task Force, including its “targeted divestment strategy,” in responding to this motion, and that LACERA communicate its policy developed as a result of this motion to the Sudan Divestment Task Force and to Jewish World Watch. Supervisor Burke accepted Supervisor Yaroslavsky’s amendment.

Supervisor Burke’s motion, as amended, seconded by Supervisor Yaroslavsky, was unanimously carried.

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Copies distributed:

- Each Supervisor
- Chief Administrative Officer
- County Counsel
- Treasurer and Tax Collector
- Chief Executive Officer, Los Angeles County
- Employees Retirement Association

Letter sent to:

- Each Member, Los Angeles County
- Employees Retirement Association
- Board of Investments